

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**  
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

9 7 — 2 2

2. STATE:

Missouri

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL  
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

September 1, 1997

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR

7. FEDERAL BUDGET IMPACT:

a. FFY 98 \$ 11,729,270

b. FFY 99 \$ 11,729,270

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19D

Page 52

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 4.19D

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10. SUBJECT OF AMENDMENT:

This amendment grants an increase of \$1.98 to a Nursing Facility's reimbursement rate  
to account for the increase in the federal minimum wage.

11. GOVERNOR'S REVIEW (Check One):

- ☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *P*  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

*Gary J. Stangler*

13. TYPED NAME:

Gary J. Stangler

14. TITLE:

Director, Department of Social Services

15. DATE SUBMITTED:

9/26/97

16. RETURN TO:

Division of Medical Services  
615 Howerton Court  
Jefferson City, MO 65109

## FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

09/30/97

18. DATE APPROVED:

JUN 06 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

9/1/97

20. SIGNATURE OF REGIONAL OFFICIAL:

*Thomas W. Lenz*

21. TYPED NAME:

Thomas W. Lenz

22. TITLE:

Administrator Medicaid and State Operations

23. REMARKS:

Martin  
Miller  
DATE  
SUBMITTED

DATE SUBMITTED

09/29/97  
DATE RECEIVED 09/30/97

4. Minimum wage adjustment. Effective for payment dates on or after November 15, 1996, an increase of two dollars and forty-five cents (\$2.45) shall be granted to a facility's per diem to allow for the change in federal minimum wage. Utilizing fiscal year 1995 cost report data, the total industry hours reported for each payroll category was multiplied by the fifty cent (\$.50) increase, divided by the patient days for the facilities reporting hours for that payroll category and factored up by 8.67% to account for the related increase to payroll taxes. This calculation excludes the Director of Nursing, the Administrator and Assistant Administrator.

5. Minimum wage adjustment. All facilities with either an interim rate or a prospective rate in effect on September 1, 1997, shall be granted an increase to their per diem effective September 1, 1997 of one dollar and ninety-eight cents (\$1.98) to allow for the change in minimum wage. Utilizing fiscal year 1995 cost report data, the total industry hours reported for each payroll category was multiplied by the forty cent (\$.40) increase, divided by the patient days for the facilities reporting hours for that payroll category and factored up by 8.67% to account for the related increase to payroll taxes. This calculation excludes the Director of Nursing, the Administrator and Assistant Administrator.

State Plan TN # 97-22  
Supersedes TN # 97-14

Effective Date: 09/01/97  
Approval Date: JUN 06 2001

**INSTITUTIONAL STATE PLAN AMENDMENT  
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN 97-22

REIMBURSEMENT TYPE:

Nursing facility  
ICF/MR

✓  
    

PROPOSED EFFECTIVE DATE: 9/1/97

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. ✓

2. With respect to nursing facility services -

- a. 447.253 (b) (1) (iii) (A) - Except for preadmission screening for individuals with mental illness and mental retardation under 42 CFR 483.20(f), the methods and standards used to determine payment rates take into account the costs of complying with the requirements of 42 CFR part 483 subpart B. ✓

- b. 447.253 (b) (1) (iii) (B) - The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in 42 CFR 483.30 (c) to provide licensed nurses on a 24-hour basis. ✓

- c. 447.253 (b) (1) (iii) (C) - The State has established procedures under which the data and methodology used to establish payment rates are made available to the public. ✓

3. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:

- a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. ✓

APP  
JUN 06 2001

b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. ✓

If there are no State-operated facilities, please indicate "not applicable:"                     

B. State Assurances. The State makes the following additional assurances:

1. For nursing facilities and ICFs/MR - -

a. 447.253 (d) (1) - when there has been a sale or transfer of the assets of a NF or ICF/MR on or after July 18, 1984 but before October 1, 1985, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate, solely as a result of a change in ownership, more that payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital indebtedness, return on equity (if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation. ✓

b. 447.253 (d) (2) - When there has been a sale or transfer of the assets of a NF or ICF/MR on or after October 1, 1985, the State's methods and standards provide that the valuation of capital assets for purposes of determining payment rates will not increase (as measured from the date of acquisition by the seller to the date of the change of ownership) solely as a result of a change of ownership, by more than the lesser of:

(i) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Dodge construction index applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year; or

(ii) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Consumer Price Index for All Urban Consumers (CPI-U) (United States city average) applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year. ✓

2. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. ✓
3. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. ✓
4. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. ✓
5. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. ✓

Notice published on:

10/1/2011

If no date is shown, please explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. 447.253 (i) - The State pays for long-term care services using rates determined in accordance with the methods and standards specified in the approved State plan. ✓

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: NF

Estimated average proposed payment rate as a result of this amendment:

\$85.71

Average payment rate in effect for the immediately preceding rate period:

\$83.73

Amount of change: \$1.98 Percent of change: 2.36%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:

(a) The availability of services on a statewide and geographic area basis:

none

(b) The type of care furnished:

none

(c) The extent of provider participation:

none